brakes of the forklift, as he claimed he had, the plaintiff would have reacted with expressions of surprise and annoyance.

I also could not accept Lim's evidence that on the morning of the accident he did inform the plaintiff of the defective brakes and asked him not to drive the forklift. I think that is pure fabrication. The plaintiff's evidence was, and I accepted his evidence, that on that morning he did not see Lim at the warehouse, and that was why he went and operated the forklift himself. If Lim was around, he would have asked Lim to operate the forklift instead of doing it himself. That was Lim's job. There was no rash and negligent act on the part of the plaintiff.

In my judgment, the plaintiff succeeded in establishing his claim at common law for negligence against the first defendant.

The second defendant was not represented before me throughout the greater part of the hearing and no evidence was adduced by it to resist the claim. I found that the second defendant's mechanic was negligent in repairing the brakes. As I have said, the mechanic did not repair the brakes properly. Accordingly, the second defendant was also liable to the plaintiff.

Counsel for the first defendant asked me to apportion the liability between the two defendants and he submitted that the second defendant was more to blame for the accident. On the basis of his submission, I apportioned the liability in the proportion of 30% to the first defendant and 70% to the second defendant.

On the quantum of damages, there were disputes only on three items:

(i) actual loss of earnings, ie pre-trial loss;
(ii) special damages for the cost of an artificial limb and the maintenance thereof; and
(iii) damages for loss of future earnings.

General damages for pain and suffering and loss of amenities were agreed at $65,000, and the special damages, other than the costs of an artificial limb and of maintenance thereof and actual loss of earnings, were agreed at $1,150. Having regard to all the relevant circumstances, I awarded a sum of $56,000 for pre-trial loss, a sum of $25,000 for the cost of an artificial limb and maintenance, and a sum of $54,000 for loss of future earnings; and the last amount was based on a yearly multiplicand of $9,000 and multiplier of 6.

Claim allowed.

Solicitors: *Murphy & Dunbar; Battenberg & Talma; Allen & Gledhill.*

Reported by *Azra Moiz*

Tan Gek Neo Jessie v Minister for Finance & Anor

HIGH COURT (SINGAPORE) — ORIGINATING MOTION NO 142 OF 1987
THEAN J
3 JANUARY 1991

Administrative Law — Certiorari — Review of decision of a public officer — Test to be used

Trade Marks — Registered trademarks — Extent of protection

Trade Marks — Passing-off — Need for reputation or goodwill — Need for business in territory

Companies and Corporations — Registration of business names — Test to be employed by registrar

The applicant registered her business sometime in July 1979 as 'JC Penney Collections'. Since that date she has been carrying on a business of trading in various items of clothing. However the name was not on used on the items sold. At that time two trademarks each under the name 'Penneys' for clothing (Class 25) and toys (Class 28) were registered on behalf of JC Penney Company Inc, a company incorporated in the United States of America ('the American corporation'). The American corporation did not use the trademark in Singapore. On 4 May 1984 the Registrar of Companies and Businesses requested the applicant to show cause why s 11 of the Business Registration Act 1973 should not be invoked against her to direct a change of name. On 13 October 1986 the registrar directed the applicant to change the name of her business pursuant to s 11, in default the registration of her business would be cancelled. The grounds for this were that the American corporation operated retail stores in USA and elsewhere and had registered its trademarks in numerous countries, including Singapore. It was alleged that the applicant was capitalizing on the reputation of the American corporation to deceive the public that they were somehow associated with the American corporation. The logo and colours are alleged to be identical and deliberately designed to mislead US visitors and others who have visited the USA. The applicant appealed to the minister against this decision but the appeal was dismissed. The applicant obtained leave to apply for an order of certorari to quash the decisions of the minister and the registrar on the grounds that the registrar had not satisfied herself that the name so nearly resembles that of the American corporation so as to be calculated to mislead.

Held, allowing the motion:

(1) The registrar must be satisfied as to the state of things prescribed by s 11 before she issued the direction. The applicable provision was s 11(b). Mere resemblance of names is not sufficient for the purpose of s 11(b), it must be calculated to mislead.

(2) The test applicable here is an objective one — whether the registrar had before her any evidence on the basis of which it could reasonably be said that she was satisfied that the name JC Penney Collections so nearly resembles that of the American corporation as to be calculated to mislead.

(3) The registrar was entitled to consider that the American corporation operated retail stores and had registered its trademarks but had failed to consider that these trademarks were not in use, that their registration had expired in September 1983, and that the applicant had not used 'JC Penney' or 'Penneys' as a trademark on any goods traded by them.

(4) By reason of the above the proprietor could not maintain an action for infringement of trademarks. Nor could the proprietor of these trademarks maintain an action for passing-off as the proprietor had not acquired any reputation.

(5) There was no evidence that the applicant's logo and that of the corporation were such that they were calculated to mislead. On the totality of the material before the registrar, there is insufficient evidence, which could satisfy the registrar that 'JC Penney Collection' so nearly resembles the name of the American corporation as to be calculated to mislead.

(6) The registrar is entitled to have a policy of not permitting unauthorized users of riding on the reputation of foreign corporations and owners of trademarks. However there is no evidence to support that the applicant was in this category.

(7) As the American corporation was not carrying on any business or using its trademarks in Singapore, it therefore had no reputation in Singapore and thus it cannot be maintained that the applicant was riding on its reputation.

(8) There is no property in a name and the American corporation cannot claim that the names 'Penney' or 'Penneys' are exclusively theirs.

Cases referred to

1 *Chng Suan Tze* v *Minister of Home Affairs & Ors* [1989] 1 MLJ 69 (folld)
2 *Star Industrial Co Ltd* v *Yap Kwee Kor* [1976] 1 MLJ 149 (folld)
3 *JC Penney Co Inc & Anor* v *Penneys Ltd & Anor* [1975] HKLR 598 (refd)

Legislation referred to

Business Registration Act 1973 s 11
Rules of the Supreme Court 1970 O 53

NS Kang for the applicant.
Jeffrey Chan (Deputy Senior State Counsel) for the respondents.

Cur Adv Vult

Thean J: This is an application by Jessie Tan Gek Neo, the abovenamed applicant ('the applicant'), for an order of certiorari to quash: (i) the decision of the Registrar of Businesses ('the registrar') made on 13 October 1986 pursuant to s 11 of the Business Registration Act 1973 directing the applicant to change the name of her business 'JC Penney Collections', to one which does not use the word 'JC Penney' or 'Penneys', and (ii) the decision of the minister made on 9 October 1987 also pursuant to s 11 of the Act dismissing the applicant's appeal against the decision of the registrar.

The facts that gave rise to the present application are as follows. On 2 July 1979 the applicant submitted an application to the registrar for approval of a business name under which she intended to carry on her business. In the application, four names were submitted, namely: 'JCB Collections', 'Designs Conner', 'The House of Fashions' and 'JL's Collections'. However, none of the names were available to her, and she then submitted a fresh application giving another four names for approval, namely: 'Leo Collections', 'JC Penney Collections', 'Hishers Collections' and 'Manego's Collections'. She was then requested to call at the Registry of Businesses to discuss the application, which she did on 17 July 1979. Arising out of the discussion, she submitted a fresh application on 20 July 1979 for approval of the name 'JC Penney Collections', which approval was granted. Following that, she registered her business under the name 'JC Penney Collections' on or about that date, and since then she has been carrying on her business of trading in, among other things, skirts, trousers, jackets and T-shirts under that name. At the date of the decision of the registrar she had, and as of now she still has, two shops in two different shopping areas — she claims that they are prime shopping areas — in Singapore.

At the time of the registration of the business of the applicant, there were registered with the Registry of Trade Marks, Singapore, two trademarks, each under the name 'Penneys': one was in Class 25 in respect of the following goods: namely, sleep wear, underwear, sweaters, shirts, jeans, skirts, swim wear, raincoats, suits, coats, T-shirts, jackets, dresses, pyjamas and slippers; and the other in Class 28 in respect of toys. The proprietor of both the trademarks is JC Penney Company Inc, a company incorporated in the State of Delaware, the United States of America ('the American corporation'). Though the trademarks were registered as from 9 January 1976, they were not in use by the proprietor in Singapore at the date of the registration of the applicant's business. Nor, it appears, have they been used subsequently by the proprietor. Even as late as March 1985, Mr Joseph Yung, the general manager of JC Penney Purchasing Corporation (incorporated in the State of New York) — presumably an associated or related company of the American corporation — said that the trademarks were not in use here. He said: 'Although we have the JC Penney Trademark registered for clothing in Singapore but we are not using the name for retail services over here. We have been a potential major importer of Singapore-manufactured merchandise for many years.' There is no evidence, and it has not been alleged in any way by or on behalf of the respondents, that the applicant was at that time of the registration of her business aware of the existence of these two registered trademarks. Nonetheless, the applicant had constructive notice of these trademarks; if she had made a search at the Registry of Trade Marks she would have found out their existence.

About three years later, on 28 December 1982, the applicant received a letter from the registrar which stated, inter alia, the following:

> 2 I am now informed that the above business name [JC Penney Collections] is in fact the name of JC Penney Company Inc of 1301 Avenue of the Americas, New York,

New York 10019, USA. The word 'Penneys' is also the registered trade mark of the above American company in respect of two classes of trade marks in the Registry of Trade Marks and Patents in Singapore.

3 Please let me know whether you have the consent of JC Penney Company Inc to the use of the above business name within 21 days from the date hereof.

In response, the applicant's solicitors, M/s Boswell, Hsieh & Lim, wrote to the registrar, stating that she had not infringed the two trademarks; that at the time of registration of her business there was no legal requirement that she must obtain the consent of the American corporation, and that consequently no such consent was obtained. Following this letter, there were further letters in exchange between the registrar and the solicitors ending with a letter from the latter dated 18 May 1983 which said, inter alia, that the applicant had decided not to change her business name and that s 11 of the Business Registration Act relied upon by the registrar did not apply. The matter than fell into abeyance for about two years until 4 May 1985, when the registrar again wrote to the applicant as follows:

1 I refer to the above business which was registered on 18 July 1979.

2 I am now informed that the name of your business in fact incorporates the registered trademark of M/s JC Penney Purchasing Corporation of the USA. Further, I understand that you do not have the consent of the M/s JC Penney Purchasing Corporation for the use of their trademark.

3 I am therefore inclined to invoke s 11 of the Business Registration Act 1973 and direct a change of name.

4 Please let me know within 21 days from the date hereof why I should not pursue such a course of action.

The applicant's solicitors, M/s Boswell Hsieh & Lim, replied to the registrar stating that the applicant had been in active business for the past six years, had established tremendous goodwill in her line of business and expended large sums of money therein, and further that the applicant had not in any time infringed the 'Penney' trademark, as none of her goods carried the 'Penney' label. No action, however, was taken by the registrar until about 1½ years later. On 13 October 1986 the registrar wrote to the applicant as follows:

It has been brought to your attention that the above business name resembles the name of 'JC Penney Company Inc' an American company incorporated in the US conducting similar business activities. JC Penney Company Inc is the owner of registered trademarks 'JC Penney' or 'Penneys' in approximately 50 countries. You have indicated through M/s Boswell, Hsieh & Lim that no consent has been obtained from JC Penney Company Inc for using the words 'JC Penney'. Sufficient time has been given to you for arrangement to be made to change your business name but we regret that you have not done so.

2 In the circumstances, we direct you to change the name of your business to one which does not use the word 'JC Penney'. Our direction made under section 11 of the Business Registration Act (36 of 1973) is hereby served on you in accordance with section 31 of the Act. Please note that unless you change the name within six weeks from the date of this letter, your registration of the abovenamed business will be cancelled.

Enclosed in that letter was a written direction expressed to be issued under s 11 of the Business Registration Act 1973, and it is necessary to set out the text of the direction in full, which is as follows:

Whereas in the opinion of the registrar, the name 'JC Penney Collections' registered as a name of a business by Tan Gek Neo Jessie holder of NRIC No 0203532D so nearly resembles the name of another corporation which owns 'JC Penney' or 'Penneys' as trademarks as to be calculated to mislead

Direction is hereby given to the said Tan Gek Neo Jessie to change the name of 'JC Penney Collections', to one which does not use the word 'JC Penney' or 'Penneys' within six weeks from the date of this Direction.

It is relevant to mention that as of that date, the applicant had been conducting her business under the name JC Penney Collections for slightly more than seven years. Not unexpectedly, the applicant felt aggrieved by the registrar's decision. Pursuant to s 11 of the Business Registration Act 1973 she appealed to the minister against the decision of the registrar. However, the appeal was dismissed; no reason was given for the dismissal of the appeal. On 9 October 1987 the applicant was informed accordingly and was given seven days to change the name to one which is acceptable to the registrar. Subsequently, however, extension of time was given by the registrar.

On 7 December 1987, the applicant applied by way of originating motion for leave to apply for an order of certiorari to quash the decisions of the registrar and the minister. Leave was granted, and subsequently this application was brought. The application first came on for hearing on a motion day and was adjourned to a date to be fixed for hearing, as the arguments involved would be lengthy. Thereafter, the matter for some inexplicable reason remained dormant for more than two years before it came on for hearing. None of the parties took any step to cause or procure the application to be fixed or set down for hearing earlier.

At the commencement of the hearing, Mr Chan on behalf of the respondents made a preliminary objection. He submitted that the matter before me was Originating Motion No 142 of 1987, the application for leave, and that motion had been disposed of in that leave had been granted. The applicant, however, had not filed a fresh originating motion but merely filed an interlocutory notice of motion, which is the present application, in Originating Motion No 142 of 1987. Under O 53 r 2 of the Rules of Supreme Court 1970, where leave has been granted, the applicant is required to file an origi-

nating motion applying for an order of certiorari and under r 3 the originating motion and other papers are required to be served on the respondents. The requirements of both these rules had not been complied with by the applicant. That, in Mr Chan's submission, was a substantial non-compliance which was fatal to the application now before me.

In response, Mr Kang contended that the notice of motion before me is a fresh motion, though it carries the same number as the originating motion applying for leave, which had been dealt with. There was no substantive difference between the notice of motion and a fresh originating motion. The difference was only one of form. Admittedly, there was an error or a defect in that respect, but that error or defect had not prejudiced the respondents and would not prejudice them in any way, and it was not incurable. In any event, the notice of motion was filed on 5 January 1988, and at the time when it first came on for hearing in January 1988 no such objection was raised by or on behalf of the respondents. The stand then taken by them was to contest the application on the merits. The notice of motion was then adjourned to a date to be fixed for hearing, and the registrar had since then filed a further affidavit seeking to contest the notice of motion on the merits. More than two years had elapsed, and no objection had been taken by the respondents until the date of hearing. Therefore, assuming that there was any irregularity, it had been waived by or on behalf of the respondents.

I considered the objection as a purely technical one, and, in my opinion, it was no merit. In exercise of my discretion I waived the defect or irregularity and proposed to treat the notice of motion as an originating motion. As the papers required to be served under O 53 r 3 had been served under O 53 r 1(3), I dispensed with service of the papers under r 3, and proceeded to hear arguments on the merits.

The decisions of the registrar and the minister which the applicant seeks to impugn were made under s 11 of the Business Registration Act 1973 ('the Act'), and it is convenient at this stage to set out in full the provision of this section which is as follows:

> 11 Where the Registrar is satisfied that any person registered under this Act carries on business, or any person applying for registration under this Act intends to carry on business, under a name which —
>
> (a) is identical to that of any other corporations or the name under which another person carries on business;
> (b) so nearly resembles the name of any corporation or the name under which another person carries on business as to be calculated to mislead, except where such other corporation is in the course of being dissolved or wound up or such other person signifies its or his consent in such manner as the Registrar may require; or
> (c) is, in the opinion of the Registrar, undesirable or is a name of a kind which the Minister has directed the Registrar not to accept for registration,
>
> the Registrar may cancel his registration or refuse to register him, as the case may be, unless he changes the name within 6 weeks from the date the Registrar requested him to do so; and any person aggrieved by a decision of the Registrar may appeal to the Minister whose decision shall be final.

There are three limbs in this section on the basis of which the registrar may act and issue her direction accordingly. In this case, neither the limb in para (a) nor the limb in para (c) applies, as it is not under either of the two paragraphs that the registrar issued her direction. It is the limb in s 11(b) which is relevant, and the question is whether the registrar was justified in arriving at her decision which she did under para (b) of that section.

The minister in dismissing the appeal against the decision of the registrar gave no reason; I can only assume that he adopted the reasoning and findings of the registrar and on those grounds affirmed her decision. It therefore follows that what I am about to decide with reference to the registrar's decision would equally apply to the minister's decision, and I need not deal separately with his decision.

Mr Kang challenges the decision of the registrar on two grounds. First, he submits that the registrar has not satisfied herself that the name under which the applicant carries on her business so nearly resembles the name of the American corporation as to be calculated to mislead. Nowhere has the registrar shown that she was so satisfied. In particular, in issuing the direction under s 11 of the Act, she merely expressed the opinion that the same 'JC Penney Collections' so nearly resembles the name of another corporation which owns 'JC Penney' or 'Penneys' as trademarks as to be calculated to mislead. That, in his submission, is not the criterion required under s 11 of the basis of which the registrar is to exercise her discretion and issue the appropriate direction. Accordingly, in his submission, the registrar has not so satisfied herself as she is required so to do under that section before she issued the direction.

Mr Chan concedes that the word 'satisfied' is crucial in the operation of s 11 of the Act, and that in the direction she issued the registrar has used the words 'in the opinion of the registrar' instead of the words 'the registrar is satisfied'. But that, he submits, is merely a matter of semantics; the expression 'in the opinion' is synonymous with 'is satisfied'. The registrar's satisfaction is implicit in the opinion she expressed. At any rate, it is not mandatory or necessary that the registrar should express in the direction her opinion or satisfaction, and the recital (where the registrar expressed her opinion)

contained in the direction is a surplusage. So long as she is satisfied as to the state of things prescribed in that section she is entitled to issue the direction. In this case, the registrar, in fact, was satisfied that the name JC Penney Collections so nearly resembles the name of the American corporation as to be calculated to mislead.

It seems to me that the questions whether the registrar was satisfied as to the state of things prescribed by s 11 of the Act before she issued the direction does not turn on what was said in the recital of the direction; whether what was said there was the opinion or the satisfaction of the registrar is immaterial. What is material is whether the registrar, in fact, was so satisfied before she issued the direction. That is the question before me. The determination of this question does not depend purely on the subjective satisfaction of the registrar; the test applicable here is an objective one: see *Chng Suan Tze* v *Minister of Home Affairs & Ors.*[1]

To that question I now turn, and the issue is whether the registrar had before her any evidence on the basis of which it could reasonably be said that she was satisfied that the name, JC Penney Collections, so nearly resembles that of the American corporation as to be calculated to mislead. One of the material facts she relied on heavily is clearly the existence of the two trademarks, 'Penneys', registered with the Registry of Trade Marks. (In her direction, she referred to them as 'JC Penney' and 'Penneys'. However, this error is not material and nothing turns on it.) Specific references were made by her to these trademarks in her letters of 28 December 1982, 4 May 1985 and 13 October 1986 and also in her direction of 13 October 1986. However, there were certain salient facts in relation to the trademarks which had not been specifically brought to her attention, and she had not considered them. First, these trademarks were at all material times not used in Singapore by the proprietor or any of its associated or related companies in respect of their goods. Secondly, the registration of these trademarks had expired in 1983 and it did not appear that they had been renewed. Certainly there was no evidence that they had been renewed by October 1986. Mr Kang in his written skeletal argument stated that the trademarks expired on 12 September 1983 and that fresh applications for registration of the trademarks were submitted in 1987. These facts were not disputed by or on behalf of the respondents. It is also not disputed that the applicant did not at any time use, and up to this date has not used 'JC Penney' or 'Penneys' as a trademark for any of the goods traded or sold by her. If, however, she did use both or either of the trademarks in relation to her goods after September 1983, it seems to me that the American corporation as the proprietor of the trademarks could not maintain an action against her for infringement of trademarks. Nor could the proprietor of these trademarks maintain an action against her for passing-off, as the trademarks had not been used here and the proprietor had not acquired any reputation in relation thereto. It seems to me, therefore, that to direct the applicant to change her business name on the basis that it so nearly resembles the name of the proprietor of these two trademarks, in effect, gives to the proprietor more than what the laws on infringement of trademarks and passing-off would provide.

It should also be noted that it is not mere resemblance of names that is material for the purpose of s 11(b) of the Act; it is resemblance of names so as to be *calculated to mislead.* On this point, the material fact is that the American corporation had at all material times never used both or either of the trademarks here, and members of the public could not have any actual knowledge of them. On the basis of these facts it cannot be maintained that the name, JC Penney Collections, used by the applicant in her business so nearly resembles the name of the American corporation as to be *calculated to mislead,* ie to mislead members of the public into thinking that the business of the applicant is associated with the owner of the trademarks.

There is no doubt that in arriving at her decision, the registrar relied on information and matters supplied by M/s Donaldson & Burkinshaw and on allegations made by them on behalf of their clients. In her affidavit affirmed on 11 December 1987 she stated, inter alia, the following:

> 2 On or about 16 November 1982, M/s Donaldson & Burkinshaw, Advocates & Solicitors wrote to the Registrar of Businesses on behalf of JC Penney Company Inc of 1301 Avenue of the Americas, New York, New York 10019, USA. The letter is exhibited hereto and marked 'SSH1'. On receipt of this letter, we conducted inquiries into the matter. In the course of the inquiries, we were supplied further information in M/s Donaldson & Burkinshaw's letter dated 24 January 1983, JC Penney Purchasing Corporation's letter dated 25 March 1985, JC Penney Purchasing Corporation's letter dated 11 April 1985, Donaldson & Burkinshaw's letter dated 6 October 1986 marked 'SSH2', 'SSH3', 'SSH4', 'SSH5' and 'SSH6' respectively.
>
> ...
>
> 4 Having obtained all the relevant information from the said complainant and the said proprietor we considered the matter carefully, taking note of the factors set out hereinafter.
>
> 5 JC Penney Company Inc was incorporated in the State of Delaware, USA (originally under the name of JC Penney Company) on 15 December 1924. It operates retail stores in USA and elsewhere. The name JC Penney Collections is very similar to the name of JC Penney Company Inc. It has been alleged that JC Penney Collections is capitalizing on the reputation of JC Penney Company Inc and deceiving or calculated to deceive the public that they are a branch of or somehow associated with JC Penney Company Inc.

6 JC Penney Company Inc has registered 'JC Penney' and 'Penneys' in various countries, namely, Argentina, Canada, Columbia, Costa Rica, Denmark, France, Hong Kong, Korea, Panama, Spain, Sri Lanka and UK, etc. The trademarks were also registered in Singapore before JC Penney Collections was registered.

That JC Penney Company Inc operates retail stores in the United States of America and elsewhere, that JC Penney Company Inc has registered its trademarks 'JC Penney' and 'Penneys' in numerous countries, and that these trademarks (or, more correctly, the two trademarks 'Penneys') were also registered in Singapore are facts, and clearly on the material produced before the registrar she was entitled to accept and rely on them. But the allegation repeatedly made by M/s Donaldson & Burkinshaw that 'JC Penney Collections is capitalizing on the reputation of JC Penney Company Inc and deceiving and calcuted to deceive the public that they are a branch of or somehow associated with JC Penney Company Inc' is purely an inference and not a fact, and M/s Donaldson & Burkinshaw has not, in my opinion, furnished any evidence to the registrar to support that inference. I have the same observation for the following statements made by M/s Donaldson & Burkinshaw:

Further, it is infuriating to note that every United States visitor to Singapore believes that the Singapore store is our clients. It is believed that the logo and colours (red, blue and white) are identical and a deliberate attempt to mislead Americans and many foreigners and locals who have visited the United States.

This is clearly an exaggerated allegation which cannot be accepted without some evidence; as far as I can see, there is hardly any evidence. They have not even shown precisely what are the logo and colours of the logo used by the American corporation and what also are the logo and the colours of the logo adopted by the applicant. On a careful review of the totality of the material before the registrar, there is really no sufficient evidence which could reasonably satisfy the registrar that JC Penney Collections so nearly resembles the name of the American corporation as to be *calculated to mislead.*

On the same basis, the registrar, with respect, erred in another finding. In paras 8 and 9 of her affidavit which, in so far as relevant, are as follows:

8 Over the years, we have received numerous complaints from owners of trademarks and reputable companies that there have been unauthorized uses of their names/trademarks in Singapore for the registration of companies or businesses without their knowledge or consent. The phenomenon of registering famous names/trademarks of foreign corporations can be generally classified into three kinds:

(1) The unauthorized users have the ulterior motive of riding on the reputation of the foreign corporation/owner of trademarks.

...

An illustration of such problems was the rush of many 'opportunists' in 1982 trying to cash in on the fast food craze and competing to outdo the owners of fast food chains and each other by rushing in applications for registration of 'shell' business entities. I exhibit hereto a newspaper report in New Nation 18 August 1982 marked 'SSH11'.

9 Based on the information obtained, we came to the conclusion that the case of JC Penney Collections fell within the first classification described in para 8 above.

No valid criticism can be made on the test formulated by the registrar in para 8(1), and she was entitled to formulate such a test; but, with respect, I can find no evidence to support the conclusion she arrived at in para 9. The American corporation was not carrying on, and has not carried on, any business in Singapore; nor has it or its associated or related company used either of the trademarks here. It therefore has no reputation here in relation to its business, and it cannot be maintained that the applicant in registering her business under the name JC Penney Collections and carrying on the business under that name has the ulterior motive of 'riding on the reputation' of the American corporation. The information referred to in para 9 on which the registrar based her conclusion is, presumably, the information or substaintially the information furnished by M/s Donaldson & Burkinshaw. In so far as such information consists of facts, it does support the conclusion reached in para 9; in so far as such information consists of inferences, it has no probative value as there is no substratum of facts to found the inferences.

There is no question of the applicant 'capitalizing' or 'riding on' the reputation of the American corporation. As I have said, it has no reputation or goodwill in Singapore in relation to its business. On this point, it is relevant to quote the following passage from the judgment of Lord Diplock in *Star Industrial Co Ltd* v *Yap Kwee Kor*[2] at p 155:

Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached. It is local in character and divisible; if the business is carried on in several countries a separate goodwill attaches to it in each. So when the business is abandoned in one country in which it has acquired a goodwill the goodwill in that country perishes with it although the business may continue to be carried on in other countries. (See: *Inland Revenue Commissioners* v *Muller & Co's Margarine Ltd* [1901] AC 217, per Lord Macnaghten at p 224; per Lord Lindley at p 235.)

It should be remembered also that this is no property in a name as such, and the American corporation cannot claim that the name 'Penney' or 'Penneys' is exclusively theirs throughout the world. A cursory look at the Hong Kong case of *JC Penney Co Inc & Anor* v *Penneys Ltd & Anor*[3] reveals that there is yet another company, not in

any way connected with the American corporation, which has the same or similar name, operating in Eire and the United Kingdom — certainly it was operating there at the material time when the dispute in that case arose.

For the reasons I have given, it is clear that the direction of the registrar cannot stand and has to be quashed. The same applies to the minister's decision dismissing the appeal from the registrar's decision. It is not necessary for me to go on to consider the second ground on which the applicant seeks to impugn the direction of the registrar; that turns on the true construction of the term 'any corporation' in s 11 of the Business Registration Act 1973, ie whether 'any corporation' includes a corporation incorporated abroad and not carrying on business in Singapore.

In the result, I allow this application. I make the order of certiorari as prayed for in the notice of motion. I also award costs to the applicant.

Application allowed.

Solicitors: *NS Kang.*

Reported by *S Surenthiraraj*

Goh Koon Suan v Heng Gek Kiau & Ors

HIGH COURT (SINGAPORE) — SUIT NO 1640 OF 1989
YONG PUNG HOW CJ
14 DECEMBER 1990

Trusts and Trustees — Constructive trustees — Solicitor's knowledge of dispute over beneficial ownership of property — Whether solicitors liable as constructive trustees

Civil Procedure — Statement of claim — Application to strike out — Proceedings vexatious and an abuse of the process of the court — Rules of the Supreme Court 1970, O 18 r 19

The first defendant was the registered owner of a property known as 2 Suffolk Road, #06-03 Suffolk Apartment, Singapore 1130 ('the property'). The plaintiff paid almost the entire purchase price of the property. The plaintiff was also a donee under a power of attorney given by the first defendant. Acting under the power of attorney the plaintiff entered into an agreement for the sale of the property which was to be completed on or before 20 July 1989. On 18 July 1989 the first defendant instructed a law firm ('the firm'), of which the second, third, fourth and fifth defendants were partners, to revoke the plaintiff's power of attorney and take over the conduct of the sale. The firm wrote to the plaintiff's solicitors, Hilborne & Co ('Hilborne'), revoking the power of attorney and in a letter of 22 July 1989 offered to 'hold the sale proceeds as stakeholder pending the resolution of the rights of the respective parties'. Later in the same day the firm, taking the first defendant's instructions that the first defendant was the legal and beneficial owner and that Hilborne's client, the plaintiff, had no interest in the property whatsoever, withdrew their offer to hold the proceeds as stakeholder.

On 26 July 1989 Hilborne, at the request of the firm and on the firm's undertaking to pay legal costs incurred by the plaintiff, released the papers relating to the matter and the 10% deposit of the purchase price to the firm. The sale was completed on 28 July 1989 and the sale proceeds released to the first defendant.

On 31 August 1989, the plaintiff issued a writ claiming that the first defendant was a trustee of the property for the plaintiff and that the second to fifth defendants were constructive trustees for the plaintiff in respect of the property and the sale proceeds.

On 30 October 1989 the second to fifth defendants successfully applied for the writ of summons and the statement of claim to be struck out on the ground that the proceeds were vexatious or alternatively that they were otherwise an abuse of the process of the court. The plaintiff appealed to the judge-in-chambers contending:

(1) The firm was aware that there was a dispute of sufficient gravity over the beneficial ownership of the property. The firm as potential constructive trustee were not entitled to allow their client's instructions to supersede their initial decision to hold the proceeds of sale as stakeholder.

(2) The firm had not shown that the plaintiff's claim was vexatious or an abuse of process since they had not questioned the plaintiff's good faith in their affidavits.

(3) The law regarding the liability of a stranger who became involved in the periphery of a breach of trust is a subject of controversy and this question cannot be dealt with summarily under O 18 r 19.